



Transportation Improvement Board *Project Reimbursement Guidelines*

GENERAL REQUIREMENTS

1. **TIB Participation** - TIB participates in project costs that are consistent with applicable federal and state laws and TIB regulations and procedures.
2. **Fuel Tax Grant Distribution Agreement Acceptance** – By signing the Fuel Tax Grant Distribution Agreement, the AGENCY is subject to the conditions set forth in the agreement.
3. **Changes in Project Scope** – The AGENCY must request and obtain approval from TIB for any changes in the approved project scope. Scope changes made without TIB approval are not eligible for reimbursement.
4. **Payments** - The AGENCY must use the TIB On-line Payment System to request reimbursement. Supporting data may be required. The AGENCY may submit requests no more than once a month as the work progresses.
5. **Ineligible Costs** – Any project work performed prior to phase approval is not eligible for TIB reimbursement.

DIRECT COSTS

Direct costs are those which are directly attributable to the project and include the following:

1. Direct labor (engineering and/or construction) including related employee benefits:
 - a. Salaries and wages (at actual or average rates) covering productive labor hours of city and county employees (excluding the administrative organization of the operating unit involved) for periods of time, actively or incidentally engaged in:
 - i. Design engineering;
 - ii. Construction engineering;
 - iii. Acquisition of rights of way; and
 - iv. Actual construction activities are considered a direct cost of construction projects.

- b. A maximum of forty percent (40%) of employee benefits relating to direct labor are considered a direct cost of projects. Employee benefits shall be calculated as a percentage of direct labor dollars. The computation of predetermined percentage rates to be applied to current labor costs shall be based upon the average of total employee benefits and total labor costs for the prior fiscal year and adjusted by known current year variations. The following items may be included as employee benefits:
 - i. F.I.C.A. (Social Security) - employer's share;
 - ii. Retirement benefits;
 - iii. Hospital, health, dental and other welfare insurance;
 - iv. Life insurance;
 - v. Industrial and medical insurance;
 - vi. Vacation;
 - vii. Holiday;
 - viii. Sick leave;
 - ix. Military leave and jury duty.
- 2. Contract engineering services.
- 3. Right of way acquisition costs including:
 - c. Purchase of land and easements acquired for and devoted to the project;
 - d. Purchase of improvements;
 - e. Adjustment or reestablishment of improvements;
 - f. Salaries, expenses or fees of appraisers, negotiators and attorneys;
 - g. Removal or demolition of improvement;
 - h. Other direct costs in connection with the acquisition. Amounts received from the sale of excess real property or improvements and from any rentals shall be a reduction of the direct cost.
- 4. Contract construction work, and/or capital equipment acquisition approved by the TIB.
- 5. Direct vehicle and equipment charges at the actual rental cost paid for the equipment. In the case of city or county owned equipment, the rental rates established by the city's or county's Equipment Rental and Revolving Fund following the methods prescribed by the State Auditor, provided that such costs shall be charged on a uniform basis to equipment used for all projects regardless of the source of funding. Cities which may not use this type of fund shall be allowed the same rates as used by the Department of Transportation.

6. Direct materials and supplies. The cost of materials used in projects shall be based upon methods prescribed for the Equipment Rental and Revolving Fund by the State Auditor.
 - i. An overhead rate or "loading factor" shall not be considered an appropriate additive to the actual cost of materials and supplies used on construction projects unless the factor is readily and properly supportable by the governmental unit's accounting records.
 - j. The cost or reasonable estimate of materials paid for as contract estimate items, but not used, shall be considered a reduction of direct costs.
7. Interdepartmental charges for work performed by the AGENCY departments, other than the road or street department, for the benefit of specific construction projects shall be limited to direct costs plus an allocation of indirect costs based upon ten percent (10%) of direct labor dollars, excluding employee benefits. Such indirect costs shall be determined by a rate which is readily and properly supportable by the AGENCY accounting records and shall be the same rate as applied to non-TIB projects; however, this rate shall not exceed the indirect cost allocation rate established by TIB. If the AGENCY does not have such an internal indirect cost allocation rate, the rate predetermined by TIB shall be used in determining the amount of indirect costs includable in the total interdepartmental charges.
8. Other direct costs incurred for materials or services acquired for a specific project shall be eligible for participation by TIB funds and may include, but shall not be limited to, such items as:
 - k. Telephone charges;
 - l. Reproduction and photogrammetry costs;
 - m. Computer usage;
 - n. Printing and advertising.

INDIRECT COSTS

Indirect costs incurred by the AGENCY for common or joint objectives which include an authorized TIB funded project, and which are not included in those direct costs set forth and defined in WAC 479-05-190, shall be eligible for TIB fund participation on a specific project at the AGENCY approved rate, to a maximum of sixty percent (60%) if it has been computed based on OMB Circular A-87. If the AGENCY does not have an approved rate, the rate shall not exceed ten percent (10%) of direct labor costs.